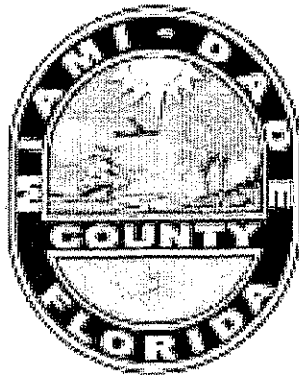


Miami Dade County

Stephen P. Clark Government Center
111 N.W. 1st Street
Miami, Fl. 33128



LEGISLATIVE ANALYSIS

Thursday, July 22, 2004
2:00 PM
Commission Chambers

Board of County Commissioners

Transportation Committee

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

BUS PASSENGER SHELTER INSTALLATION UPDATE

County Manager

I. SUMMARY

This report outlines the current situation as well as some of the reasons for delays as they relate to Miami-Dade County's contract with CEMUSA Miami, Ltd., for the construction of Bus Benches and approximately 3,000 Passenger Shelters.

This was established as a Revenue Generating Contract. CEMUSA was to pay the County \$34,286,000 in Minimum Guaranteed Revenue over the ten year term of the contract, or 30% of all revenues arising from bus shelter advertising sales.

II. PRESENT SITUATION

To date:

266 Shelters have been submitted for permit applications.

192 Have received all necessary permits.

74 are still being reviewed

139 Shelter are at some point in the construction process.

69 Are ready for public use.

25 Constructed and pending final inspection.

45 In various stages of construction.

CEMUSA sites a shortage of concrete as the main cause of delays.

Further, the contractor claims this shortage has reduced productivity by 50%.

III. POLICY CHANGE AND IMPLICATION

These delays as well as various sites in some stage of construction have caused some safety concerns to members of the public, as well as County Commissioners who have incomplete sites within their districts.

The original contract called for 3,000 shelters to be constructed within 3 years.

Now, two (2) years into the contract only 69 shelters have been fully completed.

The Director of MDT has stated a goal of 500 shelters to be installed by August.

July 22, 2004

IV. ECONOMIC IMPACT

Because of the delays associated with this contract, the County has been unable to receive revenues that would be consistent with the end result of \$32,288,000 million in Guaranteed Revenue.

V. COMMENTS AND QUESTIONS

How much revenue has the County received to date?

What is the consequence of the contractor not meeting the Guaranteed Revenue?

More importantly, has MDT and the PWD estimated how the concrete shortage will affect the Peoples Transportation Plan?

If so, what is the result to the pro-forma of this situation?

This shortage in concrete will not only increase delays associated with road paving projects, sidewalk construction, drainage improvements, and the construction of Heavy Rail Lines, an increased demand, without a corresponding increase in supply, will result in an increase in price.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*REVIEW OF MIAMI-DADE EXPRESSWAY AUTHORITY REGARDING TOLL
INCREASE*

County Manager

I. SUMMARY

This report was provided in response to Commissioner Seijas' request from the Miami-Dade Expressway Authority (MDX) for justification as to why MDX increased the tolls on MDX controlled roads by .25 cents for commuters not utilizing the SunPass electronic toll collection transponders.

Persons utilizing the transponders will not be assessed the increased tolls until a time not yet determined.

MDX contends that Capitol Projects and future bonding capacity justify the increase in tolls.

Several commissioners have also expressed concerns relating to the "two-tiered" policy of not increasing the tolls for SunPass users.

II. PRESENT SITUATION

On March 7, 2004, the MDX increased the tolls on following MDX maintained roads for non-SunPass users:

- Dolphin Expressway: from 75 cents to \$1.
- Don Shula Expressway: from 75 cents to \$1.
- Gratigny Parkway: from 75 cents to \$1.
- Airport Expressway: from 50 cents to 75 cents

III. POLICY CHANGE AND IMPLICATION

None. The increase in tolls was not a policy proffered by Miami-Dade County.

IV. ECONOMIC IMPACT

None.

V. COMMENTS AND QUESTIONS

Attached are three (3) articles from the Ft. Lauderdale Sun Sentinel related to a program initiated by the Palm Beach County Metropolitan Planning Organization (MPO) which subsidizes \$25 towards the cost of purchasing a SunPass transponder.

<http://www.sun-sentinel.com/news/columnists/sfl-proads11jul11,0,6207802.column?coll=sfla-news-col>

Another SunPass promotion revs up

Michael Turnbell

July 11, 2004

Commuters waiting for a SunPass promotion that includes \$25 in free tolls are going to have to be patient for just a bit longer.

Earlier this year, the Palm Beach County Metropolitan Planning Organization agreed to spend another \$1 million to offer \$25 in free tolls to the first 40,000 Palm Beach County drivers who sign up for SunPass.

Turnpike officials say the giveaway should start in a few weeks but couldn't say specifically when.

The promotion is a sequel to one that started in November and lasted about three months before the money ran out.

Many drivers have resisted signing up for SunPass because they object to paying for the wallet-sized transponder, which costs \$25.

The promotion for \$25 in free tolls, in essence, cancels out what drivers would spend to buy the transponders, so many are jumping at the chance to sign up.

Some say if toll agencies in other states are giving transponders away for free, then Florida's Turnpike should do the same with SunPass.

But turnpike officials say drivers already are getting the transponders at a discount because they cost the state \$42 apiece. A cheaper \$3 to \$5 credit card-sized version isn't scheduled to hit the streets for another two years.

Most users of the E-Z Pass system in the Northeast get their transponders for free, depending on in which state they open their account.

In New York, New Jersey and Maryland, motorists pay a \$10 deposit for a transponder if they replenish their toll accounts by check or cash.

Pennsylvania waives its \$25 transponder fee for credit card users but charges everyone a \$3 annual service fee. Drivers also must start with a higher balance -- \$35 compared with Florida's \$25.

In Delaware, drivers pay \$25 for a transponder. "Toll agencies are realizing the staggering cost of transponders and their replacement," the Delaware Department of Transportation says on its E-Z Pass Web site in justifying the \$25 transponder fee.



Massachusetts motorists pay \$27.50 for each Fast Lane transponder they purchase.

In Chicago, drivers were slow to pay tolls electronically because authorities charged a \$38 deposit for each transponder. In 2000, the state's toll way system switched to a cheaper transponder and a year later lowered the deposit for most motorists to \$10.

Beyond the cost of the transponders, some Florida drivers don't like SunPass because they say it doesn't live up to its billing of saving time and reducing congestion. They point to a lack of SunPass lanes at places such as the Lantana toll plaza, where northbound backups of nearly two miles are common.

There's no telling how long the promotion will last this time around, but turnpike officials say it could be quicker because drivers will have more of an incentive to get SunPass.

In March, the turnpike raised cash tolls by a quarter at most toll plazas. SunPass drivers faced no toll increase.

More SunPass-only lanes are being added at Lantana and at the Palm Beach Gardens and Jupiter toll plazas as part of a \$110 million statewide effort to double the number of SunPass lanes on turnpike roads.

SunPass transponders are available at most Publix and Eckerd stores, at turnpike service plazas, online at www.sunpass.com and by calling 888-865-5352.

To qualify for the free tolls, buyers must wait to activate their accounts until the promotion begins.

Michael Turnbull's transportation column runs on Sundays. He can be reached at 561-243-6550.

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July 13, 2004

Edition: Palm Beach

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Page: 4B

Index Terms:

PALM BEACH COUNTY ROAD PROGRAM

SUNPASS PROMOTION STARTS IN COUNTY TODAY FIRST 40,000 TO SIGN UP GET \$25 FOR TOLLS

Author: Michael Turnbull Transportation Writer

Article Text:

Shirley Jacobson of Delray Beach bought her **SunPass** transponder at Publix a week ago but hasn't removed it from the plastic wrapper.

Like many drivers, she has been waiting for a promotion that starts today offering \$25 in free tolls to the first 40,000 Palm Beach County motorists who sign up for **SunPass**, the state's electronic toll collection program.

Without the promotion, Jacobson said she probably would have continued digging for loose coins in her purse to pay tolls on Florida's Turnpike.

Some drivers such as Jacobson have resisted signing up for **SunPass** because of the \$50 startup cost, which includes \$25 for the wallet-sized transponder that attaches to car windshields and another \$25 in tolls.

"I see people waiting in line to pay and the **SunPass** lanes are always moving," said Jacobson, who takes the turnpike to visit her niece in Hollywood.

"With the \$25 (in free tolls), I thought it would take me a while to use it up and I'd like to have that convenience of not waiting to pay or worrying whether I have the right change," she said.

Turnpike officials have set up a special toll-free hotline for Palm Beach County residents to activate their **SunPass** transponders and qualify for the free tolls: 877-639-7277.

Residents should use the phone number instead of activating their transponder at **SunPass'** Web site in order to get the \$25 immediately.

The promotion is being paid for by the Palm Beach County Metropolitan Planning Organization, which agreed earlier this year to spend \$1 million to cover the program's cost.

The MPO, which sets road and transit priorities in the county, paid for a similar promotion last year that lasted about three months before the money ran out.

Turnpike officials say the latest promotion could go quicker because the turnpike raised tolls in March by 25 percent at most plazas for cash customers. Tolls for drivers with **SunPass** did not increase.

A one-way trip from the Atlantic Avenue exit west of Delray Beach to the Disney World exit is \$10.90 for **SunPass** users and \$13.70 for cash customers.

SunPass transponders are available at Publix and Eckerd stores, at turnpike service plazas, online at www.sunpass.com and by calling 888-865-5352.

Michael Turnbull can be reached at mturnbell@sun-sentinel.com or 561-243-6550 or 954-356-4155.

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Article Bookmark(OpenURL Compliant): [SUNPASS PROMOTION STARTS IN COUNTY TODAYFIRST 40,000 TO SIGN UP GET \\$25 FOR TOLLS \(South Florida Sun-Sentinel \(Fort Lauderdale, FL\), July 13, 2004\)](http://docs.newsbank.com/openurl?ctx_ver=z39.88-2004&rft_id=info:sid/iw.newsbank.com:NewsBank:SFLB&rft_val_format=info:ofi/fmt:kev:mtx:ctx&rft_dat=103CF59788BA54E8&svc_dat=InfoWeb:aggregated2&req_dat=0F156B08E1823F31)
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Palm Beach County drivers jam lines seeking \$25 freebie on SunPass tolls

By Michael Turnbull

Transportation Writer

Posted July 14 2004


Palm Beach County drivers jammed phone lines Tuesday set up to handle callers looking to get \$25 in free tolls by signing up for SunPass.

Sevi Gangemi of Wellington said he started calling at 8 a.m. and gave up trying to get through by midday.

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"It just rings and rings and rings, like it's off the hook," Gangemi said. "They should've been smarter about putting extra staff on if they're going to run a promotion like this. It's pretty disconcerting."

Florida's Turnpike officials set up a toll-free number, 877-639-7277, to handle calls from Palm Beach County

motorists. Those calls go to the turnpike's Orlando call center, staffed with 35 operators.

The number was created to avoid overloading the main number, 888-865-5352.

Turnpike spokesman Chad Huff attributed the overload to a first-day rush that should subside in the days to come. He said drivers should be patient.

Huff said some drivers apparently bought SunPass transponders months ago and waited to activate them until the free tolls promotion started.

SunPass normally costs \$50 -- \$25 for the transponder and \$25 in tolls to start an account.

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Palm Beach County's Metropolitan Planning Organization is spending \$1 million to cover the \$25 in tolls for the first 40,000 county drivers who sign up. The organization sponsored a similar promotion in November that lasted three months before money ran out.

Huff said drivers also could activate their SunPass transponders at SunPass' Web site, www.sunpass.com.

But he said drivers might have to wait a few days before the \$25 credit is applied to the account. The credit is instant for drivers who activate their account by calling.

Michael Turnbull can be reached at mturnbell@sun-sentinel.com or 561-243-6550.

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LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION RELATING TO MIAMI INTERNATIONAL AIRPORT; APPROVING AN AMENDMENT TO JOINT PARTICIPATION AGREEMENT NO. 414 554 18401 WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION SO THAT \$9,282,496 IN FUNDS UNDER SUCH JOINT PARTICIPATION AGREEMENT ARE REPROGRAMMED FOR USE BY THE AVIATION DEPARTMENT TO OFFSET NET REVENUE LOSSES IN FISCAL YEAR 2002 RATHER THAN TO OFFSET INCREASED COSTS RELATING TO AVIATION SECURITY PROGRAMS; AUTHORIZING THE COUNTY MANAGER TO EXECUTE AN AMENDMENT TO SUCH JOINT PARTICIPATION AGREEMENT TO ACCOMPLISH SUCH REPROGRAMMING, FOLLOWING REVIEW BY THE COUNTY ATTORNEY

Aviation Department

I. SUMMARY

This proposed resolution would amend a Joint Participation Agreement (JPA) between the Miami-Dade Aviation Department (MDAD) and the Florida Department of Transportation (FDOT) to reprogram \$9,282,496 originally allocated for post-9.11 security costs (capital and operating) to partially offset the \$40,520,576 FY 2001-02 revenue deficit at MDAD.

II. PRESENT SITUATION

The \$40,520,576 FY 2001-02 net revenue deficit at MDAD is the balance remaining after deducting for two grants received from the Federal Aviation Administration and the State of Florida Department of Homeland Security which totaled \$3,068,566.

III. POLICY CHANGE AND IMPLICATION

Reprogramming these funds to offset the FY 2001-02 revenue deficit is consistent with FDOT's recommendation and will improve MDAD's financial status.

IV. ECONOMIC IMPACT

FY 2001-02 budget:	\$518,660,198
FY 2001-02 revenue:	\$475,071,056
FY 2001-02 revenue loss:	\$43,589,142
Previous grants to reduce revenue loss:	\$3,068,566
Net revenue loss at this time:	\$40,520,576
Recommended reprogramming in this Item:	\$9,282,496
Net revenue loss if this Item is approved:	\$31,238,080

TRANSPORTATION COMMITTEE ITEM 3(A)

July 22, 2004

V. COMMENTS AND QUESTIONS

In response to questions about potential implications of the cost shift, MDAD supplied the following responses.

Question #1: Will this reprogramming result in a need to fund security needs through other MDAD revenue, including the revenue bonds?

MDAD Response: *No. Like most grants, this one is to reimburse us. Security costs have already been incurred and continue to be incurred. The grant will not affect the level of security costs incurred in the past or in the future.*

Question #2: Will the reprogramming reduce funds available for the CIP?

MDAD Response: *No. While most grants are for capital projects, this one is for operating expenses. No affect on the CIP.*

TRANSPORTATION COMMITTEE ITEM 3(B)

July 22, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION RELATED TO REFURBISHMENT OF BUILDINGS 3094 AND 3095 AT MIAMI INTERNATIONAL AIRPORT; AUTHORIZING APPROVAL AND AWARD OF NON-EXCLUSIVE AGREEMENT WITH DOUGLAS WOOD & ASSOCIATES, INC. FOR PROFESSIONAL ARCHITECTURAL, ENGINEERING, AND CONSTRUCTION ADMINISTRATION SERVICES TO MIAMI-DADE AVIATION DEPARTMENT; AND AUTHORIZING COUNTY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT AND EXERCISE ALL OTHER RIGHTS INCLUDING CANCELLATION PROVISIONS CONTAINED THEREIN

Aviation Department

I. SUMMARY

This is a proposal to award a three-year, \$357,412.50 professional services agreement (PSA) to Douglas Wood & Assoc., Inc. to provide architectural, engineering and construction administration services for life safety and other upgrades to comply with the Florida Building Code and for repairs to Miami-International Airport (MIA) buildings 3094 (the old Pan Am hangar that is now called Central Base) and 3095 (the parking garage adjacent to 3094.)

II. PRESENT SITUATION

As stated on handwritten pp. 1-2 of the Item, numerous repairs, life safety improvements and upgrades to code.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

This is a Community Based Enterprise (CBE) set-aside contract. The prime (Douglas Wood & Assoc., Inc. and each of the four subcontractors (Gurri Matute, P.A.; Civil Works, Inc.; William A. Berry & Assoc., Inc.; and Planning and Economics Group, Inc.) are certified as Tier 1 CBE firms.

V. COMMENTS AND QUESTIONS

None.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

***RESOLUTION AUTHORIZING ISSUANCE OF REQUEST FOR PROPOSALS FOR
THE METRORAIL VEHICLES REHABILITATION***

Miami-Dade Transit Agency

I. SUMMARY

This item seeks approval to advertise for the procurement of a contractor to provide the Metrorail Mid-Life Rehabilitation.

II. PRESENT SITUATION

On October 9, 2003 the Board of County Commissioners approved a list of 24 Capital Improvement Items to be included into the Peoples Transportation Plan (PTP). The total funding associated with this list was \$397,220,000.

One of the items on this list was the Metrorail Mid-Life Rehabilitation estimated at \$188,830,000.

The Citizens Independent Transportation Trust (CITT) approved this list of items on July 29, 2003.

The original 136 vehicles were placed in service 20 years ago. The scheduled mid-life rehabilitation should have taken place after 15 years.

However, due to a lack of available funding the rehabilitation of these vehicles had been delayed.

On November 5, 2004 the voters of Miami-Dade County approved a .5% Transportation Surtax to be used for Transit and Transportation needs in Miami-Dade County.

III. POLICY CHANGE AND IMPLICATION

The BCC and the CITT have already approved this expenditure to be funded PTP funds.

The mid-life rehabilitation on these vehicles is required by the Federal Transit Administration (FTA) and the County's failure to address this situation may result in a negative impact on federal funds received by Miami-Dade County for transit purposes. The Federal government had in the past gone as far as to say that if the County does not commit to address the mid-life rehab in a timely manner, any funds received from the federal government for transit purposes may be earmarked specifically for the mid-life rehab of our rail system.

Transportation ITEM 3(F)
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IV. ECONOMIC IMPACT

The current estimate for the Mid-Life Rehabilitation is \$211,000,000. (This represents approximately \$1.5 million per vehicle).

The original estimate provided to and approved by the BCC in October of 2003 was \$1,888,830

This represents an increase to the estimate of \$22,117,000 from the amount presented to the BCC in Sept. 2003.

V. COMMENTS AND QUESTIONS

Has the \$22.1 million increase been factored into the current pro-forma as it relates to available funding for all projects contained in the PTP?

Because the County has known for over 5 years now that this service needed to be provided, why wasn't an RFP developed before?

Although a funding source was not available 5 years ago, once a source became available in November of 2002 and was approved for this use by the BCC and CITT, which occurred over 9 months ago, this project could have been started expeditiously.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION APPROVING MIAMI-DADE TRANSIT'S USE OF SURTAX FUNDS FOR CONTRACT NUMBER 6402-0/04 FORTY FOOT LOW FLOOR TRANSIT COACHES WITH NORTH AMERICAN BUS INDUSTRIES FOR THE PURCHASE OF COACHES FOR THE PEOPLE'S TRANSPORTATION PLAN

Miami-Dade Transit Agency

I. SUMMARY

This resolution seeks a reimbursement, from Transportation Surtax Funds, for Miami-Dade Transit for approximately \$29 million utilized for the purchase of 100 Forty foot Low-floor buses.

II. PRESENT SITUATION

In May 2000 the Board of County Commissioners (BCC) approved the purchase of 321 40-foot Low-floor Coaches from North American Bus Industries (NABI). The contract contained an option for up to 321 additional buses for a possible 624 buses over five years.

The total cost of all 624 buses and associated equipment totaled \$182,274,757.

The original agenda item listed the following funding sources:

- FTA Bus Discretionary Funding
- FTA formula grants
- Local Option Gas Tax
- Leverage Lease deals

On November 5, 2002, the Charter County Transportation Surtax (.5% Surtax) was approved by the voters of Miami-Dade County for the implementation of the Peoples Transportation Plan (PTP). Contained in the PTP is a provision for the expansion of the County's Bus Fleet by approximately 491 buses.

III. POLICY CHANGE AND IMPLICATION

Because expansion of the Bus Fleet was included in the PTP, the cost of additional buses could be funded from the .5% Surtax.

However, because this contract was approved prior the passage of the Surtax and listed alternative funding sources, allowing reimbursement from the Surtax could set a dangerous precedent.

What if another Department request reimbursement, from the Surtax, for a project approved prior to the passage of the Surtax but is still consistent with projects listed in the PTP?

Transportation ITEM 3(G)
July 22, 2004

For example, the Public Works Department could contend that a road paving contract approved prior to the passage of the surtax could be eligible for reimbursement from the Transportation Surtax because "road paving" is listed in the PTP.

IV. ECONOMIC IMPACT

The total reimbursement for the 100 buses, and associated equipment, received to date would be \$29,163,021.

This represents approximately \$291,000 per bus.

However, if the funding source change is allowed, the total impact to .5% Surtax could be over \$182 million if this contract is fully utilized.

V. COMMENTS AND QUESTIONS

On September 9, 2003 the BCC approved the advertisement of RFP No. 407 for the procurement of up to 400 Small Low-floor Transit Buses over a period of four (4) years.

If this new contract is awarded, would it be in addition to or in place of this current contract with NABI?

The cost estimate presented in the RFP approved in September of 2003 was \$201,500,000 for 400 buses. (Approximately \$503,750 per bus)

Why is the cost per bus so much higher in the new RFP? (Approximately 58% higher per bus)

Wouldn't the County save money by fully exercising the current contract with NABI?

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AUTHORIZING TERMINATION OF CONTRACT NUMBER TA99-TSP WITH RED TOP TRANSPORTATION, INC. FOR PROVISION OF PARATRANSIT TRANSPORTATION SERVICES; AND AUTHORIZING THE COUNTY TO NOTIFY THE STATE OF FLORIDA COMMISSION FOR THE TRANSPORTATION DISADVANTAGED OF THE COUNTY'S INTENT TO DISCONTINUE PROVIDING MEDICAID NON-EMERGENCY MEDICAL TRANSPORTATION EFFECTIVE SEPTEMBER 1, 2004

Miami-Dade Transit

I. SUMMARY

This resolution would approve the recommendation of Miami-Dade County Staff that the County discontinue providing Medicaid Non-Emergency Medical Transportation (NEMT) services as of September 1, 2004.

County Staff states that a current reduction in the amount allocated by the Florida Agency for Health Care Administration (AHCA) to the County for these services, coupled with an increase in the County's responsibilities has created an approximate \$3 million deficit in the amount required to administer this program.

II. PRESENT SITUATION

Currently, the County receives funds from AHCA to provide Medicaid Services. The County receives a per-trip reimbursement from AHCA for providing these services to Medicaid eligible persons. The County also receives an administrative fee for the costs of administering the program locally.

Miami-Dade County utilizes Red Top Transportation, Inc. as a contractor to provide this service.

The Broward County Commission has already voted to take the same posture and discontinue providing the service.

III. POLICY CHANGE AND IMPLICATION

By discontinuing this service, the County would be placing the onus of this responsibility on the State to provide these services.

There are currently 26 County employees assigned to this program that would need to be reassigned.

PLEASE SEE COMMENTS

IV. ECONOMIC IMPACT

The County would avoid the need to provide an estimated shortfall of \$3,016,409 in order to cover the cost of providing these services that would not be covered by AHCA.

V. COMMENTS AND QUESTIONS

Although indicating our desire to discontinue this service would put the County in an advantageous posture with the State, there may be a backlash associated with Public Opinion.

There is a dangerous policy associated with threatening the discontinuation of service for medically needy persons over a \$3 million shortfall when the public perception is that the County spends more money on projects not necessarily as important.

There is also a risk that if this program stops even for a day, the users will resort to calling County and Municipal Fire Rescue units to provide this form of service, overburdening those departments.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AUTHORIZING COUNTY MANAGER TO EXECUTE A TERMINAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND CIMENTO TUPI FLORIDA, INC. ("CTF") TO ESTABLISH, MAINTAIN, AND OPERATE A BULK CEMENT OPERATION AT THE DANTE B. FASCELL PORT OF MIAMI-DADE; AND TO EXERCISE ALL RIGHTS CONFERRED THEREIN

Seaport Department

I. SUMMARY

This is a proposal for the Seaport Department to execute a 10-year Terminal Agreement with Cimento Tupi Florida, Inc.(CTF) to establish and operate a bulk cement offload, storage and transfer facility at the Port of Miami (Port). The proposed agreement includes two 5-year options to renew.

Bulk cement would arrive at the Port by ship at Berth 55 (or such other berth as may be directed by the Port), would be offloaded into a covered barge that would remain at the Port for the duration of the agreement, and would be transferred to trucks using shore based equipment to be provided by the firm.

The Seaport indicates that the entire process will involve fully contained transfer and storage processes that will preclude generation of airborne cement dust.

II. PRESENT SITUATION

As noted in the County Manager's memorandum recommending this Item, there have been multiple press reports indicating that a shortage of cement presently exists, particularly in the Southern U.S. The shortage relates to increased demand for Portland cement in the worldwide marketplace, particularly in China and in revived building activity in the northern U.S. According to press reports:

- A large amount of the cement used in Florida and elsewhere in the U.S. (22.6% according to the Portland Cement Association) is imported because it is cheaper than domestic produced cement.
- News reports cite increased worldwide demand as the reason that demand exceeds supply, and it has led to increased prices. (In a May 7, 2004, Miami Herald article, Luis Garcia, president of Adonel Concrete in Miami, predicted a 30% price increase over the next year.)

III. POLICY CHANGE AND IMPLICATION

- Because of the proximity of the CTF facility to some of the most important economic resources and properties in the County (including Port of Miami cruise ship terminals, South Beach, Watson Island/Parrot Jungle, Bayside, and Fisher/Star/Palm/Hibiscus Islands), it is critical that any potential dust, noise, appearance or any other potential concerns be considered. A map of the area is appended as Attachment #1.

TRANSPORTATION COMMITTEE ITEM 3(N)
July 22, 2004

- The Seaport Department is convinced that the CTF facility will be a good neighbor and will meet all necessary environmental standards and other permit requirements.

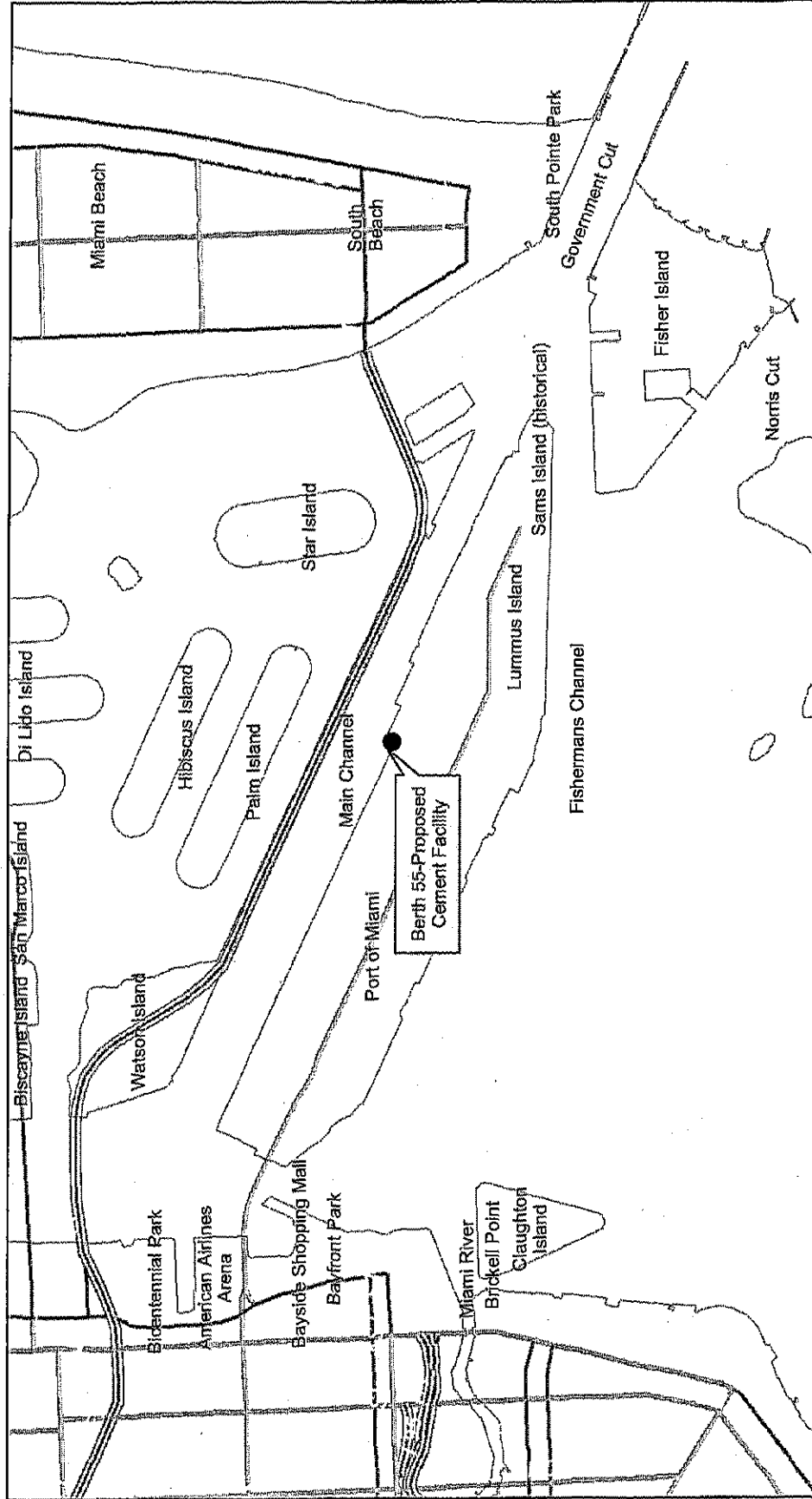
IV. ECONOMIC IMPACT

Estimated revenue: \$555,000 per year (Seaport Department)

V. COMMENTS AND QUESTIONS

- Should worldwide demand continue to exceed supply, competitive pressures in the marketplace will continue to increase pressure for cement prices to rise, and may make domestically produced cement more financially viable.
- No reports were found to indicate any relationship between the level of Miami-Dade County rock mining activities and the present cement shortage.
- In a competitive marketplace, it is reasonable to assume that increased domestic prices for cement may lead to increased demand for Miami-Dade County rock mine-produced limestone from which to make cement.
- Worldwide economic improvements have also increased worldwide demand for steel, creating shortages of steel in the U.S. that are similar to the reported shortages of concrete.

Port of Miami Proposed Berth 55 Cement Facility



Board of County Commissioners
Office of Legislative Analysis

